PANTILES NURSERIES LIMITED

Registered Number: 1415973

ABBREVIATED
FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31 AUGUST 1997

R J CLADD FCA
Chartered Accountant

AUDITORS' REPORT TO
PANTILES NURSERIES LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985
FOR THE YEAR ENDED 31 AUGUST 1997

I have examined the abbreviated accounts set out on pages 2 to 7, together with the financial statements of the company for the year ended 31 August 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act of the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report my opinion to you.

Basis of opinion

I have carried out the procedures I consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of my work for the purpose of this report did not included examining or dealing with events after the date of my report on the full financial statements.

Opinion

In my opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(3) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 7 are properly prepared in accordance with that provision.

1 Canesworde Road
Dunstable
Beds LU6 3JJ

R J CLADD FCA
Chartered Accountant
Registered Auditor

Date: 8 June 1998

PANTILES NURSERIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 1997

	1997	1996
	£	£
TURNOVER	2,677,557	2,307,982
COST OF SALES	1,885,282	1,637,493
GROSS PROFIT	792,275	670,489
ADMINISTRATIVE EXPENSES	402,345	335,585
OPERATING PROFIT	389,930	334,904
INTEREST PAYABLE	(14,887)	(13,162)
INTEREST RECEIVBLE	475	470
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	375,518	322,212
TAX ON ORDINARY ACTIVITIES	95,738	84,001
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	279,780	238,211
Dividends	-	-
RETAINED EARNINGS for the financial year	279,780	238,211
Add: Retained Earnings at beginning of period	501,547	263,336
RETAINED EARNINGS at end of period	**£ 781,327**	**£501,547**

Note: There were no other recognised gains/losses, other than as included in the Profit and Loss Account above.

There were no discontinued operations in the year, or newly acquired operations.

PANTILES NURSERIES LIMITED

BALANCE SHEET — AS AT 31 AUGUST 1997

	NOTES	1997	1996
		£	£
FIXED ASSETS			
Tangible Assets	2.	647,568	622,377
CURRENT ASSETS			
Stocks	3.	1,064,928	828,544
Debtors	4.	221,561	154,108
Cash at Bank and in Hand		1,132	19,350
		1,287,621	1,002,002
CURRENT LIABILITIES			
Creditors due within one year	5.	660,086	620,200
NET CURRENT ASSETS		627,535	381,802
TOTAL ASSETS LESS CURRENT LIABILITIES		1,275,103	1,004,179
CREDITORS DUE AFTER MORE THAN ONE YEAR		52,303	61,159
NET ASSETS		£1,222,800	£ 943,020
CAPITAL AND RESERVES			
Called up share capital	6.	12,000	12,000
Share premium account		16,925	16,925
Revaluation reserve		412,548	412,548
Profit and Loss Account		781,327	501,547
SHAREHOLDERS' FUNDS		£1,222,800	£ 943,020

Advantage has been taken of the exemptions conferred by Section 'B' of Part III of Schedule 8 to The Companies Act 1985, on the grounds that the company being a medium sized company, it is entitled to those exemptions.

The Financial Statements were approved by the Directors on 8 January 1998

Signed on behalf of the board

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B P GALLAGHER Esq
Director

PANTILES NURSERIES LIMITED

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 AUGUST 1997

1. The principal accounting policies adopted in the preparation of the company's financial statements are:

ACCOUNTING CONVENTION

The financial statements are prepared under the Historical Cost Account Convention.

DEPRECIATION

Depreciation is calculated to write off the cost of tangible fixed assets other than freehold land over their useful lives. Useful lives have been determined as follows:-

Equipment	-	4 years
Motor Vehicles	-	4 years
Buildings	-	25 - 50 years

The cost of goodwill acquired is written off in equal annual instalments over three years.

HIRE PURCHASE AND LEASING CONTRACTS

Assets obtained under hire purchase and finance lease contracts are capitalised and depreciated over their useful lives

STOCKS

Stocks are consistently valued at the lower of cost and net realisable value. In the case of plants, trees and shrubs cost is based on the selling price less the estimated gross profit selling margin.

PENSION SCHEME

Contributions paid into the company's Self-Administered Pension Scheme are at the discretion of the Directors, and are charged to the Profit and Loss Account when paid.

CURRENCY TRANSLATION

Transactions denominated in foreign currencies are translated into sterling and recorded at the rate of exchange ruling at the date of the transaction.

Current liabilities in foreign currencies are translated at the rates ruling on the Balance Sheet date.

DEFFERED TAXATION

Where appropriate, provision is made, using the liability method, for taxation deferred because of the following temporary timing defferences:

Depreciation provided in the financial statements and the corresponding allowances for tax purposes.

PANTILES NURSERIES LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS AS AT 31 AUGUST 1997

2. *TANGIBLE FIXED ASSETS*

Cost or Valuation				
At beginning of period	532,890	200,767	139,888	873,545
Additions	11,065	16,993	50,127	78,185
Disposals	-	-	(14,100)	(14,100)
Balance at 31:08:97	543,955	217,760	175,915	937,630
Depreciation				
At beginning of period	21,938	157,982	71,248	251,168
Provision for period	3,167	17,239	32,588	52,994
Disposals	-	-	(14,100)	(14,100)
Balance at 31:08:97	25,105	175,221	89,736	290,062
Net book value	£518,850	£42,539	£86,179	£647,568

The company's freehold trading premises were professionally valued on 6 February 1996 at £550,000. The valuation was carried out by Messrs Ashdown Lyons, Chartered Surveyors, and the basis of the valuation was current open market value with vacant possession, for mortgage purposes. The directors consider that this valuation has not altered significantly at the Balance Sheet date. The historical cost of the property, including additions is £131,407 of which £21,065 relates to Land not being depreciated. Included in total assets of £647,568 is £79,984 relating to assets held under Finance Leases. Depreciation applied to those assets in the year was £28,251.

3. *STOCKS*

	1997	**1996**
	£	£
Work-in-Progress	23,800	50,265
Goods for resale	1,041,128	778,279
	£1,064,928	**£828,544**

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4. DEBTORS

	1997	1996
	£	£
Due within one year		
Trade Debtors	215,825	144,857
Prepayments	5,736	9,251
	£221,561	£154,108

5. CREDITORS

	Due within one year		Due after more than one year	
	1997	1996	1997	1996
	£	£	£	£
Bank overdraft (secured)	21,113	38,818	-	-
Bank loans (secured)	11,016	30,478	16,000	27,400
Trade creditors	351,701	306,817	-	-
Other Creditors -				
Finance Lease (H.P.)	32,040	26,437	36,303	33,759
Other creditors	61,472	43,819	-	-
Corporation Tax	93,819	84,000	-	-
Other Taxation	88,925	89,831	-	-
	£660,086	£620,200	£52,303	£61,159

Loans repayable after more than one year are repayable as follows:

	1997	1996
	£	£
Two to Five Years	11,000	19,400
after Five Years	5,000	8,000
	£16,000	£27,400

PANTILES NURSERIES LIMITED

6. SHARE CAPITAL

	1997	1996
Authorised Ordinary Shares of £1 each	£20,000	£20,000
Allotted, issued and fully paid ordinary shares of £1 each	£12,000	£12,000

Shareholders Funds - comprise only Equity Interests

7. SHARE PREMIUM ACCOUNT

	1997	1996
	£	£
At beginning and end of year	£16,925	£16,925

8. REVALUATION RESERVE

	1997	1996
	£	£
At beginning and end of year	£412,548	£412,548

9. RELATED PARTIES

The Company is controlled by B P Gallagher and E A B Winder, who are also Directors. The Directors have not loaned significant sums of money to the company, and conversely the company has loaned no monies to the Directors. B P Gallagher and E A B Winder are also in partnership as Landscape Gardeners, and the company has traded with the partnership; as follows:

Income:

Winder & Gallagher	£2,164

Expenditure:

Winder & Gallagher	£8,900

In addition the company has, in the year, purchased for £11,000, a strip of land from B Gallagher and E A B Winder. This is former 'garden' land forming part of a house owned by them, next to the company's land, and required by the company to improve vehicular access to the Garden Centre/Nursery Site it owns.